AURETICS LIMITED

Distributor Centre ("DC") Agreement

AURETICS LIMITED

Registered Office: Plot No. 190, Old Block, Near LIC Colony Dilshad Garden, New Delhi-110095 Support: +91 90 90 90 0 247 , support@auretics.com

Distributor Centre ("DC") Agreement

This DISTRIBUTOR CENTRE ("DC") agreement is made:

BETWEEN

AURETICS LIMITED, a company incorporated under the Companies Act, 2013 having its registered office at Plot No. 190, Old Block, Near LIC Colony, Dilshad Garden, New Delhi-110095, having PAN no. AAUCA8185H (hereinafter referred to as "AURETICS", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns);

AND

Mr./Ms.:

Auretics Registration No.:

Address:

PAN No.:

(Hereinafter called "DC" which expression shall mean and include heirs, executors, administrators and legal representatives of the sole proprietor) of the Other Part.

WHEREAS

- 1. AURETICS appoints "DC" for sale of the products through Distribution Point at an approved location in lieu of which the DC would be entitled for a discount of 3-4% (variable pay on product range and type of the DC). There can be change in % of this discount as per Business Requirement from time to time and same would be communicated by AURETICS accordingly. There will be no discount on purchase of Zero BV products or on redemption of Loyalty Coupon etc.
- 2. The party of the Other Part is an existing valid active advisor with AURETICS and has achieved minimum Accumulated Performance Bonus level of Associate Director (11% personal bonus level) with an approved status of KYC/NEFT & PAN which is a prerequisite to be appointed as "DC".
- 3. The other party had understood the policies & procedures and agrees for the appointment as the "DC" to distribute the product.
- 4. AURETICS has agreed to appoint the party of the Other Part as the "DC" to distribute its product on terms and conditions set out herein.

NOW THIS AGREEMENT WITNESSSETH AS FOLLOWS:

1. Appointment of "DC"

That AURETICS hereby appoints the party of the Other Part as the "DC" and the party of the Other Part agrees to act as the "DC" of AURETICS products on the terms and conditions stipulated hereunder. It is being understood between parties that AURETICS retains the right to add to or remove products from its portfolio. Allotment of DC is subject to AURETICS's approval and discretion; decision of AURETICS will be final and binding.

2. Effective Date of Agreement

This agreement is effective from the date on which DC number is allocated by AURETICS.

3. Basis of the Agreement

The relationship between the parties shall be that of principal to principal and not that of principal and agent notwithstanding anything to the contrary that may be contained in this agreement or any correspondence or letters between the parties hereto. Accordingly the "DC" shall at no point hold himself out as an agent of AURETICS and AURETICS shall not be responsible for any act, omission or commission on the part of the "DC".

4. Right to appoint other "DC"

AURETICS shall have the right to:

- 4.1. To appoint another "DC" in respect of all or any of the Products in the town or city in which the "DC" is situated and operated as AURETICS may deem expedient and necessary.
- 4.2. To sell, distribute or resell all or any of the Products to any other persons at any time in the said town to whom AURETICS wishes to sell.

5. Location of Distribution Point & Requirements

- 5.1. Location of Distribution Point should be accessible and decently approachable. DC must operate from approved location only (after verification of address proof and location photo). If any violation of this condition is found, DC will be liable to be terminated.
- 5.2. Change in DC address/location would be subject to company's approval only after due submission of necessary documents by DC owner on support email & DC Executive/ASM. Any change in address would require company's approval.
- 5.3. All DCs need to check their local rules to procure the FSSAI License if required and would be solely responsible for any financial implication/penalty for non-

- compliance of any applicable law. All DC's will have to procure this License if food category sales through them exceeds the exempted amount as required by law.
- 5.4. DC would be responsible to procure Trade License as per applicable law and would be liable for any financial implication / penalty.

6. Space requirement for Distribution Point, Security Deposit and Business Material

DC Type	Security Deposit	Trade Value	Min. Space Requirement	Business Material	Interest Payable
Mini-DC	Rs.25,000	Rs. 50,000	50 sq. ft.	l (reatives will be l	Interest on 60
DC	Rs.30,000	Rs.1,00,000	200 sq. ft.		
Mega-DC	Rs.50,000	Rs.1,75,000	400 sq. ft.		•

Note- AURETICS shall not accept the Security amount in cash, moreover, at no point cash equivalent to or more than 2 Lacs shall be deposited under any circumstances. The security deposit amount is refundable at the time of termination of agreement by either party.

While depositing the Security deposit amount, the distributor must specify the same in written that the same is for Security deposit. Failing which, the company will treat it as advance payment for future purchase and no interest will be payable on such amount.

There will be a minimum distance between all Active Mega-DC's:

SN.	City Type	Minimum Distance	Remarks
1.	Metro Cities	1 KM	
2.	Union Territories	1 KM	
	& State Capitals		
3.	Other Large Cities	1 KM	(Population >10 lacs as per GOI census data & classification)
4.	Fixed Mountain Terrains	1 KM	cerisus data & classification)
5.	Other Cities	3 KM	

Active Mega-DC's is defined as:

- i. Minimum total secondary sales trade value as published by the company in every calendar quarter with a minimum sale of 20,000 per month.
- ii. Minimum Self Stock of at least 50,000 at each time of the month.
- iii. Following Code of Ethics particularly not indulging in cross-lining and ensure servicing all teams.

iv. The minimum distance facility is available to Mega-DCs only. Once a Mega-DC is established, no other Mini-DC, DC or Mega-DC will be appointed within the designated area.

These terms are subject to review by the company every quarter. Further, the company reserves the right to still appoint another DC in the designated area.

Note: Only motorable distance would be considered as per Google Maps. It is compulsory for all to map their approved location correctly on Google Maps. DC's who map their approved location incorrectly or do not map their approved location shall not get benefit under this policy.

- 6.1. DC should be maintained at a prominent and approachable location.
- 6.2. DC should have sufficient space and should ensure safeguarding and proper keeping of Auretics inventory.
- 6.3. DC should purchase & maintain essential items like weighing machine, CCTV cameras, petty items, etc.
- 6.4. DC will be paid commission on sales based on the Total Stock and Sales done by them:
 - 6.4.1.If Stock at Month-End + Sales in that Month is above Rs.50,000, then commission on sales will be 3% of sales.
 - 6.4.2.If Stock at Month-End + Sales in that Month is above Rs.100,000, then commission on sales will be 4% of sales.
 - 6.4.3.If Stock at Month-End + Sales in that Month is above Rs.175,000, then commission on sales will be 5% of sales.
 - 6.4.4. For loyalty / CRI sales, the commission will be 2% on MRP of loyalty / CRI items.
 - 6.4.5. No commission is payable for Offer / Free products.

Note: The above mentioned commission rates are subject to change and shall not be treated as final.

6.5. DC must provide FREE/Offer/CRI/loyalty product to all the advisors.

7. Training, Certification and Survey of "DC"

7.1. Once the DC Code has been allotted, DC will have to undergo a Training and Certification program that would be organized on quarterly basis in each region. A certificate would then be issued to each DC who would attend the Training and its record would be updated as CERTIFIED AURETICS DC. DC would be required to

- display this certificate at his Distribution Point at all times. It would be mandatory for all existing and new DC owners to go through, complete and pass the validation of AURETICS online DC Training and to be certified and stay active.
- 7.2. DC shall start its Operations by taking products of minimum value as in the table above, against its DC code. The products/stocks may be decided by DC owner. Products will be billed to DC, however there will be Zero BV on this transaction.
- 7.3. On every order invoice, a survey link would be sent to advisor basis which a DC owner can be rated on his services. Each quarter, our top rated DC's details would be published on Web and they would be recognized as per prevailing reward scheme. At the outset, necessary action would also be taken against all the DC Owners whose star rating is continuously low.
- 7.4. By default the details of DC (Name, Code, Telephone and Address) shall be published on AURETICS Website (Store Locator), for any request/change/omission pertaining to display of personal details on Website needs to be requested to AURETICS in writing with reason.

8. Stock and DC Audit

- 8.1. "DC" should keep stock of all AURETICS Products as mutually agreed. DC is also required to cooperate in stock exercise/audit, done from time to time by AURETICS executives.
- 8.2. DC would undergo a periodic Audit varying from Monthly/Quarterly & Annual visits by AURETICS executives or any appointed third party to ascertain that book stock matches the physical stock, DC is maintained and operated as per policy/code of ethics and would solely be responsible for any financial implication/penalty arising out of any irregularity.
- 8.3. All models of DC would be required to maintain the minimum self-stock (as announced by AURETICS) at all times, or to replenish same within a period of 07 days, failure to which would attract alerts from AURETICS and repeated offenders would be suspended.
 - All DC's must keep paid up inventory of atleast Rs.25,000 at all times.
- 8.4. DC Executives would also conduct monthly DC Audits to ascertain the DC location, Branding, up-keep, Self-Stock, billing and other DC Operations.
- 8.5. The trade stock billed during DC Opening i.e. Zero BV Stock is considered as the investment stock/money, hence there is no return/exchange of any non-saleable/expired products at DC.
- 8.6. At any point, no product replenishment would be done from the company with an expiry less than 3 months & 30% (whichever is higher) and all products with

- expiry of 3 months and 30% or more can be sent to the company's Warehouse for replenishment of stock.
- 8.7. DC must inform Auretics Corporate about all near expiry items (items expiring in the next 3 months) in advance.
- 8.8. Auretics will not pay / exchange any near expiry, expired or damaged items.
- 8.9. All items supplied to the DC will be treated as sale and no interest shall be payable on that amount.
- 8.10. DC will raise invoices to all the advisors and supply Auretics Products to them.
- 8.11. DC will give products to the advisor physically. DC is not expected to send the Product via courier or physical delivery. The DC may do so, but no expenses will be payable in such case.
- 8.12. DC will ask the party to pay directly to Auretics. If DC collects the amount from the advisor, then the DC must transfer the amount to Auretics immediately.
- 8.13. In case of loss/theft/damage/destruction, DC would be responsible.
- 8.14. DC should take insurance of his godown (expense bourne by themself).
- 8.15. DC may use his own GST number or use Auretics GST number (if available). However, in both the cases he has to maintain proper records like Invoices, Sales Return, etc. as required by law and file the GST returns.
- 8.16. In case you have received any short/damaged stock please contact Auretics Customer Care Support immediately.

Note- This doesn't apply to stock clearance sale products.

** The discretion on above remains with AURETICS after assessing the circumstances.

9. Reimbursement for picking up stock from AURETICS Warehouse

In case the DC picks up stocks from the assigned Warehouse on its own, DC will be reimbursed @ 1% of the DC value of stock picked up from the Warehouse.

- 9.1. DC's need to ensure that they pick up their stock from Warehouse between a maximum period of 72 working hours, failure to which, shipment may then be sent via courier and the invoices would change from Self Pick up to Courier mode and would not benefit the DC with the 1% of the DC value clause.
- 9.2. During Self Pick up, DC Needs to ensure that all compliances pertaining to E-Way or any other documentation in order to avoid any penalty from GST Enforcement Team as the accountability would remain with the DC.

9.3. Any repeated trend in not picking the stocks from the Warehouse (ordered for self-pick up within timeline) would be evaluated and can also attract suspension of self-pick up option from DC Dashboard.

10. Shortage/Damage and Goods return

- 10.1. Details of shortages/damaged/leaked products received through courier in unsealed/damaged condition should be mentioned on the courier receipt copy (POD), a copy of this POD, packing list, damaged products with complete details of order, product/qty (for shortage as well) should be reported to support@auretics.com and via call to our support number on 9090900247 within 24hrs of receipt of Order and obtain your Service Request Number.
- 10.2. In case Shipment is received intact, however, shortage/damage has been found inside, then complete details of Order; Product name/quantity of shortage/damage with a copy of packing list/damage product should be reported to support@auretics.com and via call to our support number on 9090900247 within 24hrs of receipt of Order and obtain your Service Request Number.

11. Responsibilities of "DC"

- i. To obtain from the advisors the orders for the AURETICS products to effect sale from AURETICS to the Advisors.
- ii. To receive consideration from the advisor and transmitting the order and consideration to AURETICS.
- iii. Once the order is ready for dispatch at AURETICS, to receive the order either through physical pickup from AURETICS warehouse or through courier.
- iv. To store the orders picked up or received from AURETICS as per AURETICS instructions at DC location till the same is picked-up by Advisor.
- v. To furnish security as per agreement & to safeguard the interest of AURETICS against the value of AURETICS goods at DC point before delivery to the Advisor.
- vi. To make the ordered quantity available to advisor.
- vii. To facilitate replacement/damaged/defective product as per AURETICS policy (For all Orders placed from DC).
- 11.1. It will be DC's responsibility to service/deliver the products to the Advisors maximum between 24 hours of order taking if products are available in stock at DC location, or alternatively within 24 hours of receipt of stock after ordering.
- 11.2. DC will ensure regular billing through AURETICS, processing orders quickly as and when order is received; and will ensure that the orders are converted into invoices and BV is generated on the correct ARN (Auretics Registration Number) number immediately. DC will ensure that any billing that is accepted from advisor is converted into Order Invoices on real time basis, any loss to advisor like loyalty miss etc. due to negligence in billing/not doing timely billing will account for DC's liability to compensate the advisor or debit to DC or as advised by AURETICS.

- 11.3. Offers should be informed to Advisors; free products under the offer must be issued to Advisor.
- 11.4. DC will offer service to any AURETICS Customer or Advisor who walks into their premises, whether the person is from your own network or from cross line network. Further DC will entertain the advisor from cross line network only for supply of goods and refrain from poaching/enticing.
- 11.5. It will be the responsibility of DC to ensure AURETICS Branding is in place at all times.
- 11.6. DC will ensure that all AURETICS products are kept in order/systematic way and Code of Ethics are displayed at all times.
- 11.7. You will display DC Opening/Closing timings and shall adhere to it at all times.

12. Payment options for funds deposit by "DC"

Various modes of payment available with the "DC" are listed below:

- 12.1. Direct Deposit- DC can deposit funds to AURETICS Bank Accounts by visiting the nearest branch. Kindly contact head office to get Bank Account details.
- 12.2. Funds can be deposited the amount at nearest office and DC can obtain receipt thereof.

13. Business Promotion, Code of Ethics and Business Rules

In terms of the present agreement the "DC" reiterates his commitment to work in promoting AURETICS's business, brands, products and goodwill. In furtherance of the same the "DC" agrees to support and assist AURETICS in the brand/product promotion exercises undertaken from time to time, through sales promotion exercises/schemes/contests/trade discounts/and also upon AURETICS instructions to build and/or maintain a prominent display of all brands of AURETICS's products in his premises and in the markets covered by the "DC".

- 13.1. DC will ensure to maintain the price integrity of all products.
- 13.2. DC will not create pages, websites, accounts or other online sites to sell Products.
- 13.3. DC will not offer discounts or promote special promotions which are not being offered by AURETICS.

Above is not an exhaustive list of rules and are only part of key elements of Code of Ethics that may attract suspension of DC in case of any breach.

- 13.4. It is mandatory for DC to prominently display in the DC location, Code of Ethics and Rules of Business available on Web, which needs to be availed from AURETICS at the time of DC opening.
- 13.5. Retailing or selling AURETICS products on e-commerce would attract immediate suspension.

14. Statutory obligations

The "DC" shall discharge all statutory obligations cast upon him including those under indirect taxation statutes and shall forthwith, upon request, furnish the returns/proof/declarations forms in respect thereof to AURETICS, failing which, any consequential liability accruing to AURETICS, AURETICS shall be at liberty to adjust appropriate and/or recover the amounts from the "DC".

15. Secrecy / Confidentiality

- 15.1. The "DC" undertakes that all information, arising out-off and in the course of this agreement, pertaining to the sale of the products, including formal records, summaries and reports, shall be treated as confidential information. The "DC" shall use its best endeavor to ensure that the employees who have authorised access to such information shall keep it confidential and in secrecy.
- 15.2. The "DC" further undertakes that the "DC" shall take all reasonable precautions to protect the confidential information and neither the "DC" nor his employees who have access to the confidential information shall use, produce, copy, translate, sell, distribute in whole or any part or summation of the confidential information except to the extent necessary for performance of their duties pursuant to this agreement.
- 15.3. The "DC" or his employees and/or associate claiming under, or through the "DC" shall not copy, reproduce, publish, sell and/or distribute in whole or in any part or summation of such Proprietary/Confidential information without prior written permission of AURETICS.
- 15.4. The "DC" or his employees and/or associate shall not do any act/acts which are purported to malign image of "AURETICS" and its products or its directors/officers.
- 15.5. The "DC" acknowledges that any breach of such condition would injure AURETICS irreparably and that money damages alone would not sufficiently remedy for such breach. In addition AURETICS shall be entitled to its rights of specific performance and injunctive relief under the terms of this Agreement, which relief would be without prejudice to any other rights and remedies available under the law.

16. Termination

- 16.1. AURETICS can terminate this agreement on the happening of any one or more of the following events:
- i. To remain active, DC will be doing active/minimum sales as decided by the Company. Failure to comply with this requirement will lead to de-activation (closure) of the DC.
- ii. AURETICS will review the stock status of all DC's after this period and take appropriate action in case of nonconformance to the guidelines.
- iii. In the event of the "DC" being, in the opinion of AURETICS (whose opinion shall be final), incapable of complying with this Agreement or in the event of the "DC" becoming or being adjudged insolvent or making a composition with his creditors or being a company going into liquidation either voluntary or compulsory or in the event of the financial position of the "DC" at any time during the currency of this Agreement being considered by AURETICS (whose opinion shall be final) to be unsound.
- iv. In the event of an act by the "DC" of a fraud on AURETICS in connection with this agreement or upon the "DC" failing to carry out any stipulation contained in this agreement for 7 days after being required in writing to do so by AURETICS.
- v. In the event of any lawful authority ordering AURETICS to terminate this agreement.
- vi. The DC accepts that the Terms & Conditions of the company for opening/operating DC's may change from time to time and the same will be accepted by the DC from the date they are announced by the company. In case there is a default by DC in timely deposit of funds more than 3 times, the DC is liable to be terminated.
- vii. A proper conduct needs to be maintained at all times through all channels while dealing with AURETICS or any of its representative, any type of misconduct towards any employee or AURETICS may attract disciplinary action and may result in Termination of this agreement.
- viii. AURETICS may terminate the agreement with or without giving any reason if the same is found expedient for the business interests of AURETICS.
- ix. AURETICS sales through each DC would be assessed on Monthly basis, consistently low sales or inactive DC's would attract suspension/termination from AURETICS.
- x. DC can be terminated for any of the following reasons
 - a) Promotion of competition products, aligned with another Network Marketing or competition company,
 - b) Poaching, not servicing advisors,
 - c) No or very less sale that would be evaluated monthly, quarterly or yearly. Note- This is not an exhaustive list, for complete list of Code of Ethics please read AURETICS Code of Ethics.
- 16.2. Expiry or termination howsoever occasioned shall be without prejudice to the rights and obligations already incurred prior to the date of such expiry or termination and the accounts between the parties shall be settled.

- 16.3. The "DC" shall not be entitled to any compensation or damages from AURETICS for termination howsoever occasioned.
- 16.4. At the time of surrender/termination of DC by AURETICS, the DC can return his Zero BV saleable stocks having more than 30% and 3 months (whichever is higher) of remaining expiry period. The Company shall refund the value of such saleable stocks. The stocks shall have to be brought to the nearest Warehouse by the DC on own cost. The full and final settlement can take a maximum of 60 days.
- 16.5. If any irregularity is found in stock/funds etc. at the time of closure same would be deducted from the final amount.
- 16.6. Any DC Closure request within 6 Months from Opening would require approval from AURETICS.
- 16.7. Transfer of DC Ownership under any circumstances is not permissible, DC needs to be closed and new owner shall apply with fresh application.

17. Trademark

- 17.1. The "DC" should not use the trade name, logo, trade mark, design, copyright belonging to AURETICS or of which AURETICS is the proprietor/owner thereof in any way which might challenge or damage the validity or use of trade name, trade mark, design, copyright wrongfully causing injury to AURETICS's business, reputation & goodwill.
- 17.2. The "DC" shall not use adopt/utilize any of AURETICS's logo, trade mark, design, copyright as a part of any trade name or its or any other corporate name on any other product or literature, pamphlet or except as otherwise expressly the authorized in writing by AURETICS. The "DC" shall not combine as a unitary or composite mark any other trade mark with any trade mark or use any other trade mark on product labels, wrappers, advertising or promotional materials approved, (except as may be required by and/or) in writing by AURETICS.
- 17.3. The "DC" shall indemnify, keep indemnified and keep AURETICS harmless from and against any and all claims losses damages expenses or liabilities of any nature of whatsoever caused by the use adoption of logo, trade name, trade mark, design, copyright.

18. "DC" Employees

18.1. It is expressly agreed and understood between the parties that all the staff and personnel employed by the "DC" are and all time be and remain as DC's employees. Such persons engaged by the "DC" in connection with the performance of the obligations under this Agreement, shall at no time become or be deemed to have become AURETICS's employees, agents, representatives or servants.

- 18.2. As their clear and rightful employer the "DC" shall have the exclusive liability and responsibility for compliance of requirements under various enactments, laws and other obligations with regard to these employees.
- 18.3. The "DC" undertakes to keep AURETICS fully and completely harmless and indemnified against any claim demand made on AURETICS by the "DC" employees or any statutory authority and/or government.

19. Communication between "DC" and AURETICS

"DC" can communicate with AURETICS in any one of the following ways:

E-mail - You can contact us by e-mail at support@auretics.com,

Telephone - You can contact us by call 9090900247,

Post mail- You can write us at : AURETICS LIMITED, Plot No. 190, Old Block, Near LIC

Colony, Dilshad Garden, Delhi - 110095

20. Indemnification

"DC" shall indemnify and hold harmless AURETICS and its Directors, officers, employees, agents, stockholders, affiliates, customers from and against all allegations, claims, actions, suits, demands, damages, liabilities, obligations, losses, settlements, judgments, costs and expenses (including without limitation attorneys' fees and costs) which arise out of, relate to or result from any act or omission of the DC.

21. Governing Law and Jurisdiction

The contract shall be governed by and constructed according to the laws in force in India. The service "DC" shall hereby submit to the jurisdiction of the courts situated at "New Delhi" for the purpose of actions and proceedings arising out of the contract and the courts at "New Delhi" shall have the sole jurisdiction to hear and decide such actions and proceedings.

22. Supersedes previous Agreements

This agreement supersedes all previous communications, representations, assurances or agreement either written or oral between the parties hereto or between "DC" and any other Entity to which AURETICS is a successor. However, "DC" is still governed under the Terms & Conditions, Code of Ethics and other policies of AURETICS.

23. Cancellation Policy

23.1. Warehouse - An order processed through Warehouse can only be cancelled before the items are dispatched. Any request after this wouldn't be entertained for cancellation and there isn't any reversal to it.

- 23.2. DC shall request cancellation via email on support@auretics.com (copying DC Executive) & submit a duly filled & signed cancellation form available on the portal.
- 23.3. Warehouse An order processed through warehouse can be cancelled before or after collection of shipment by submitting a duly filled & signed cancellation form, if order is cancelled after collection of shipment then all items shall be returned as per invoice in saleable condition.
- 23.4. Self-Stock Order An order placed from DC's self-stock can't be cancelled, hence DC should be cautious while processing request from self-stock.

24. Product Return Policy

- 24.1. The company will accept return of products along with relevant Customer Order Receipt, Product Return Form and related invoice within 30 days of its purchase.
- 24.2. In case a customer returns the product under 100% Satisfaction Guarantee (partially used 25%), he/she will have the option to take credit note (through which they may buy same or another product of same value) or cash (max Rs. 1000/-).
- 24.3. Products are to be returned to warehouse, period of return for products is calculated as the number of days from the Invoice Date.
- 24.4. If product return is greater than or equal than 3 in number on a single invoice, 10% handling charges will be deducted.
- 24.5. Company will deduct the amount of GST/Tax deposited to the government for the goods sold.
- 24.6. The Distributor Centre owner, may return non-moving, slow moving or near expiry items to the company provided the products are in saleable condition and have shelf-life (expiry) of more than 3 months & 30% (whichever is higher). The DC owner must intimate the Company about these item well in advance.
- 24.7. DC owner must ensure safekeeping of all products. Company will not replace any damage items in any condition.

25. Security of Information Technology

- 25.1. DC must keep their passwords secured and not share it with anyone. Company will not be responsible if the DC's password is shared / used by anyone else.
- 25.2. DC must manage their centre on their own. Company will not be responsible in case of any wrong doing at the DC by anyone else.

26. Acceptance

I ("DC") have read the terms of my appointment as DC and agree and accept to abide by the terms of this agreement.